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MOUNT OLIVE WATERWORKS DISTRICT
Lincoln Parish, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2000
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-22-01

MOUNT OLIVE WATERWORKS DISTRICT
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General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended December 31, 2000
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Bobby Gray

CERTIFIED PUBLIC ACCOUNTANT

• *Accounting Services*

• *Income Tax Services*

• *Management Advisory Services*

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American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants

To the Board of Commissioners of the
Mount Olive Waterworks District
Lincoln Parish, Louisiana

I have compiled the accompanying balance sheet of the Mount Olive Waterworks District, as of and for the year ended December 31, 2000, and the related Statement of Revenues, Expenses, and Changes in Retained Earnings, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of the management of the Mount Olive Waterworks District. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated June 21, 2001 on the results of our agreed-upon procedures.

June 21, 2001


Certified Public Accountant

FINANCIAL STATEMENTS

STATEMENT A**MOUNT OLIVE WATERWORKS DISTRICT
Lincoln Parish, Louisiana****BALANCE SHEET-PROPRIETARY FUND TYPE-ENTERPRISE FUND
December 31, 2000****ASSETS**

Current assets:

Cash	\$27,061
Accounts receivable	10,216
Less: Allowance for doubtful accounts	(1,014)
Other Assets	200

Total current assets 36,462

Non-current assets:

Land	5,000
Water distribution system	268,929
Furniture & fixtures	4,731
Less: accumulated depreciation	(120,032)

Total non-current assets 158,628

TOTAL ASSETS

\$195,090

LIABILITIES AND FUND EQUITY

Current liabilities:

Customer deposits	11,946
Payroll Liabilities	1,508

Interest payable(current portion) 157

Total current liabilities 13,611

Long-term liabilities:

Notes payable	25,309
Bonds payable	70,790

Total long-term liabilities 96,099

Total liabilities 109,710

Fund equity:

Retained earnings (deficit) 85,380

Total fund equity 85,380

TOTAL LIABILITIES AND FUND EQUITY

\$195,090

See accompanying notes and accountant's report"

STATEMENT B**MOUNT OLIVE WATERWORKS DISTRICT
Lincoln Parish, Louisiana****Statement of Revenues, Expenses, and Changes In
Retained Earnings-Proprietary Fund Type
Enterprise Fund
For the Year Ended December 31, 2000****REVENUES:**

Water Sales	\$81,739
Installation Charges	100
Interest Income	231
Miscellaneous Income	12,278

94,348**OPERATING EXPENSES:**

Administrative Expenses	7,600
Auto and Truck Expense	235
Bank Service Charges	277
Computer Services	8,000
Depreciation Expense	3,792
Membership Dues	275
Equipment Rentals	2,481
Insurance	1,633
Miscellaneous Expense	2,453
Office Supplies	1,648
Operating Supplies	2,772
Outside Labor/Services	1,568
Payroll Expenses	8,537
Postage and Delivery Expense	1,203
Professional Services	3,430
Rent Expense	2,400
System Maintenance	17,443
Telephone Expense	1,239
Travel Expense	450
Utilities	6,126
Water Purchases	2,888
Sales Tax Expense	3,142

TOTAL OPERATING EXPENSES 79,592**NON-OPERATING EXPENSE:**

Interest Expense	4,098
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TOTAL OPERATING AND NON-OPERATING EXPENSES 83,690**NET INCOME 10,657****RETAINED EARNINGS-(DEFICIT)-BEGINNING OF YEAR 74,723**

RETAINED EARNINGS-(DEFICIT)-END OF YEAR \$85,380
=====

See accompanying notes and accountant's report"

STATEMENT C

**'MOUNT OLIVE WATERWORKS DISTRICT
'Lincoln Parish, Louisiana**

**'STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2000**

Cash flows from operating activities:	
Operating income (loss)	10,657
Adjustments to reconcile operating income (loss) to net cash	
Depreciation expense	3,792
Increase in accounts receivable	(1,107)
Increase in accounts payable	737
Transfer to other fund	(200)

Total adjustments	3,222

Net cash provided by operating activities	13,879

Net increase in cash	13,879
Cash at beginning of year	13,182

Cash at end of year	27,061
	=====

See accountant's compilation report and accompanying notes.

MOUNT OLIVE WATERWORKS DISTRICT
LINCOLN PARISH, LOUISIANA
Notes to the Financial Statements

For the Year Ended December 31, 2000

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mount Olive Waterworks District is component unit of the Police Jury of Lincoln Parish. The District was created by Ordinance No. 312 dated September 14, 1965, to provide water services to residents within the District. The District is governed by a Board of five Commissioners. The Board of Commissioners of the District have absolute control and authority over the waterworks in the District. The Commissioners meet at least once every sixty days. The Commissioners serve without compensation.

A. Basis of Accounting

The Mount Olive Waterworks District accounts for its financial position and results of operations in accordance with generally accepted accounting principles (GAAP) applicable to governmental units. The District has only one fund, the proprietary fund. Proprietary fund types are used to account for activities conducted on a fee for services basis in a manner similar to commercial enterprise accounting.

B. Fixed Assets and Long-Term Liabilities

The Proprietary Fund is accounted for on a cost of service or capital maintenance measurement. This means that all assets and all liabilities (whether current or non-current) associated with its activity are included on its balance sheets. The reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by the Proprietary Fund is charged as an expense against its operations.

Accumulated Depreciation is reported on the fund balance sheet. Depreciation has been recognized over an estimated useful life utilizing the straight-line method. Estimated useful lives are as follows:

Water Systems	-	25 years
Equipment	-	7 years

MOUNT OLIVE WATERWORKS DISTRICT
LINCOLN PARISH, LOUISIANA
Notes to the Financial Statements

C. Inventories

Inventory is valued at the lower of cost or market on a first-in, first-out basis. At December 31, 2000 there was no inventory on hand.

NOTE 2. CASH

Cash consisted of demand deposits of \$ 27,061 at December 31, 2000. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance is sufficient to secure these deposits. The cash balance at December 31, 2000 was fully secured by Federal Deposit Insurance.

NOTE 3. ACCOUNTS RECEIVABLE

At December 31, 2000, the District's accounts receivables for water services totalled \$10,216. An allowance for uncollectible receivables was \$ 1,014 was shown at December 31, 2000.

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

A summary of proprietary fund type property, plant and equipment as of December 31, 2000 follows:

	<u>2000</u>
Water System/ Equipment	268,929
Furniture and Fixtures	4,731
Land	<u>5,000</u>
Sub-total	278,660
Less: Accum. Depreciation	<u>(120,032)</u>
TOTAL	<u>\$158,628</u>

No records of fixed assets were kept for the period 1965 through 1990. The initial cost of the waterworks system was determined by the Farmer's Home Administration. It was placed in service in 1967. All other capital expenditures were reviewed and capitalized when appropriate.

MOUNT OLIVE WATERWORKS DISTRICT
LINCOLN PARISH, LOUISIANA
Notes to the Financial Statements

NOTE 5. LONG-TERM DEBT

The long-term obligations of the Mount Olive Waterworks District consist of a Revenue Promissory Note dated October 26, 1966, and a Water Revenue Bond with the Farmer's Home Administration which was dated January 23, 1992. The proceeds of the Bond Issue was used for improvements to the system.

1. Water Revenue Promissory Note principal amount \$81,000.00.

Ending Balance 12/31/99	Decrease	Balance At 12/31/00
\$ 25,309	\$ 0	\$ 25,309

Required annual principal and interest payments on the fully amortized promissory note as of December 31, 2000 for the five years following are:

<u>Year Ending</u>	<u>Amount</u>
2001	4,033
2002	4,033
2003	4,033
2004	4,033
2005	4,033
Thereafter	4,043
Total Obligation	24,208
Interest	1,101
<u>Principal</u>	<u>25,309</u>

MOUNT OLIVE WATERWORKS DISTRICT
LINCOLN PARISH, LOUISIANA
Notes to the Financial Statements

2. Water Revenue Bonds bear interest at 5 3/4% on principal \$77,200.

Ending Balance 12/31/99	Decrease	Balance 12/31/00
\$ 71,672	\$ 882	\$ 70,790

The District is required to establish and maintain a Bond Sinking Fund, a Reserve Fund, and a Contingency Fund. Required payments to the funds calls for \$ 414.56 per month; \$ 21.00 per month; and \$ 22.00 per month respectively.

NOTE 6. COMPENSATED ABSENCES

Vacation pay and sick leave are not accrued because they do not vest. They are expended when paid.

NOTE 7. INCOME TAXES

The District has tax-exempt status as a governmental organization.

NOTE 8. LITIGATION

.At December 31,2000, no litigation was pending involving the District.



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ATTESTATION REPORT

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners of the
Mount Olive Waterworks District
Lincoln Parish, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Board of Commissioners of the Mount Olive Waterworks District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Mount Olive Waterworks District's compliance with certain laws and regulations during the year ended December 31, 2000 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the years for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211 - 2251 (the public bid law).

In examining expenditures per the records of the Mount Olive Waterworks District for the year 2000, I found no expenditures which exceeded \$15,000 for materials and supplies nor any which exceeded \$100,000 for public works. Therefore, no problems were found which did not comply with the provisions of LSA-RS 38:2211 - 2251.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each commissioner as defined by LSA-RS 42:1101 - 1124 (the code of ethics), and a list of outside business interests of all commissioners and employees, as well as their immediate families.

Management provided me with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget 2000. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget for the year to the minutes of meeting held on 12/10/. The minutes did reflect that the budgets had been adopted by the commissioners of the Mount Olive Waterworks District by a unanimous vote. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if the actual revenues or expenditures exceed budgeted amounts by more than 5%.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for 2000 did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during each of the periods under examination and: (a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements for 2000 and found that payment was for the proper amount and made to correct payees.

(b) determine if payments were properly coded to the correct fund and general ledger account;

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements yielded no authorization other than the signatures of the Commissioners. Management indicated that budgeted, recurring items are covered by a general authorization to pay.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

I was able to confirm that such notices were indeed posted and they were outlined as agendas in the actual minutes.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank statements and deposit slips for the period under examination and found no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

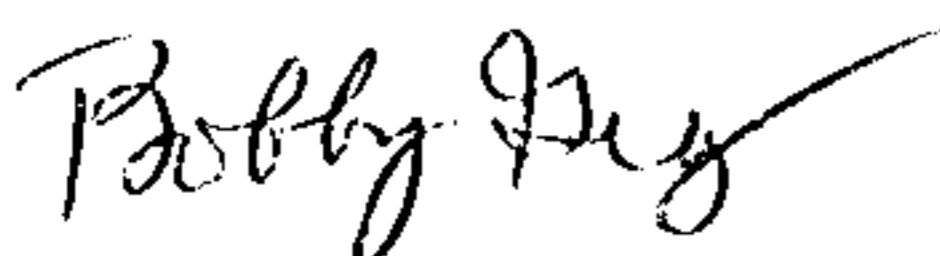
Advances and Bonuses

Examine payroll records and minutes of the district for the years to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

Examination of the minutes for 2000 and a review of payroll records showed no instances which indicated payments to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Mount Olive Waterworks District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant
June 21, 2001

SUPPLEMENTAL INFORMATION

MOUNT OLIVE WATERWORKS DISTRICT
Lincoln Parish, Louisiana

Status of Prior Year Findings

For the Year Ended December 31, 2000

SEPARATE BANK ACCOUNTS - The District was required to establish and maintain separate bank accounts for the following funds: (1) Bond Sinking Fund, (2) Reserve Fund, and (3) Contingency Fund. The District established the required funds some years ago and has made the required deposits of \$ 414.56 to the Sinking Fund, but has not made the \$21.00 per month to the Reserve Fund (until it accumulates to \$4,974.72) nor the \$22.00 per month to the Contingency Fund. The District did make the equivalent of 6 monthly payments to each of these funds in August of 1999, but the matter remains unresolved.

STATUS: During the year the District did make the required deposits to all three funds. The finding is resolved.

MOUNT OLIVE WATERWORKS DISTRICT
Lincoln Parish, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN

The prior year finding has been resolved and there are no findings for the year 2000; therefore, no corrective action plan is required.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

06/15/2001 (Date Transmitted)

Bobby Gray, CPA

P. O. Box 1213

Grambling, LA 71245

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u><i>Wm Burks</i></u>	Secretary	<u><i>June 15, 2001</i></u>	Date
	Treasurer		Date
<u><i>Larry Diener</i></u>	President	<u><i>June 15, 2001</i></u>	Date